

SCHEDULE 14A  
(Rule 14a-101)  
INFORMATION REQUIRED IN PROXY STATEMENT  
SCHEDULE 14A INFORMATION  
Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934 (Amendment No. )

Filed by the Registrant [X]

Filed by a Party other than the Registrant [ ]

Check the appropriate box:

- [ ] Preliminary Proxy Statement [ ] Confidential, for use of the commission only (as permitted by Rule 14a-6(e)(2))
- [X] Definitive Proxy Statement
- [ ] Definitive Additional Materials
- [ ] Soliciting Material Pursuant to Rule 14a-11(c) or rule 14a-12

INTEL CORPORATION

-----  
(Name of Registrant as Specified in Its Charter)

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(Name of Person(s) Filing Proxy Statement, if other than Registrant)

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- [X] No fee required
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- (1) Amount previously paid:  
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- (2) Form, Schedule or Registration Statement no.:  
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- (3) Filing Party:  
-----
- (4) Date Filed:

INTEL CORPORATION  
2200 Mission College Blvd.  
P. O. Box 58119  
Santa Clara, CA 95052-8119  
(408) 765-8080

[INTEL LOGO]

Dear Stockholder:

Intel's 1998 Annual Meeting of Stockholders will be held on May 20, 1998 at the Santa Clara Convention Center in Santa Clara, California, and we look forward to your attending either in person or by proxy. The Notice of Meeting, the Proxy Statement and the Proxy Card from the Board of Directors are enclosed. The materials provide further information concerning the Meeting. Stockholders who elected to obtain the Notice of Meeting and the Proxy Statement via the Internet may do so by accessing the Internet website address indicated on the enclosed Proxy Card. Some of our stockholders will be accessing these materials and voting via the Internet and will not be receiving a paper Proxy Card by mail.

At this year's Meeting, the agenda includes the annual election of directors, a proposal to ratify the appointment of our independent auditing firm, and a stockholder proposal to endorse certain principles (the "CERES Principles"). The Board of Directors recommends that you vote FOR the election of the slate of nominees for directors, FOR ratification of the appointment of the independent auditors, and AGAINST the stockholder proposal to endorse the CERES Principles.

Please refer to the enclosed Proxy Statement for the detailed information on each of these proposals. If you have any further questions concerning the Annual Meeting or any of the proposals, please feel free to contact Intel at (800) 298-0146 (US) or (312) 360-5125 (outside US, call collect), or speak with D.F. King & Co., our proxy solicitors, at (800) 431-9643.

Sincerely yours,

/s/Andrew S. Grove  
 Andrew S. Grove  
 Chairman of the Board

Notice of  
 1998  
 Annual Meeting  
 of Stockholders  
 and  
 Proxy Statement

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RETURN OF PROXY

Please complete, sign, date, and return the accompanying

Proxy Card promptly in the enclosed addressed envelope even if you plan to attend the Annual Meeting. Postage need not be affixed to the enclosed envelope if mailed in the United States.

If you attend the Annual Meeting and vote in person, your Proxy Card will not be used. The immediate return of your proxy will be of great assistance in preparing for the Annual Meeting and is therefore urgently requested.

#### VOTING ELECTRONICALLY OR BY TELEPHONE

Instead of submitting your proxy vote with the paper Proxy Card, you can vote electronically via the Internet or by telephone. See Voting Via the Internet or By Telephone in the Proxy Statement for further details. Please note that there are separate Internet and telephone voting arrangements depending upon whether shares are registered in your name or in the name of a bank or broker.

#### IF YOU PLAN TO ATTEND THE MEETING

The Annual Meeting will be held at 10:00 a.m. (PDT) on May 20, 1998 at the Santa Clara Convention Center, Santa Clara, California, which is located at the corner of Great America Parkway and Tasman Drive in Santa Clara, California. A map to the Convention Center is printed on the back cover of this Proxy Statement. Signs will direct you to the conference room where the Annual Meeting will be held. Please note that the doors to the meeting room at the Convention Center will not open for admission until 9:30 a.m.

If your shares are not registered in your own name and you plan to attend the Annual Meeting and vote your shares in person, you should contact your broker or agent in whose name your shares are registered to obtain a broker's proxy and bring it to the Annual Meeting in order to vote.

[INTEL LOGO]

INTEL CORPORATION

Notice of Annual Meeting of Stockholders

May 20, 1998

10:00 a.m., Pacific Daylight Time

Dear Stockholder:

You are cordially invited to attend the Annual Meeting of Stockholders of Intel Corporation ("Intel" or the "Company") which will be held on May 20, 1998 at the Santa Clara Convention Center, Santa Clara, California, at 10:00 a.m., Pacific Daylight time. A map to the location appears on the back cover of the Proxy Statement. The Annual Meeting is being held for the following purposes:

1. To elect a Board of Directors to hold office until the next Annual Meeting of Stockholders or until their respective successors have been elected or appointed;
2. To ratify the appointment of the accounting firm of Ernst & Young LLP as independent auditors for the Company for the current year;
3. To consider a stockholder proposal to endorse the CERES Principles;
4. To transact such other business as may properly come before the Annual Meeting or any adjournment or postponement thereof.

These items are fully discussed in the following pages, which are made part of this Notice. Only stockholders of record on the books of the Company at the close of business on March 23, 1998 will be entitled to vote at the Annual Meeting. A list of stockholders entitled to vote will be available for inspection at the offices of Intel, 2200 Mission College Blvd., Santa Clara, CA 95052, for ten days prior to the Annual Meeting.

Stockholders are requested to complete, date, sign and return the enclosed Proxy Card as promptly as possible. Stockholders with shares registered directly with the Company's transfer agent, Harris Bank, may also vote via the Internet at Harris Bank's Internet address:

[www.harrisbank.com/corporations/shareholders/proxyhome.html](http://www.harrisbank.com/corporations/shareholders/proxyhome.html); or they may vote telephonically by calling Harris Bank at (888) 266-6795. Stockholders holding Intel shares with a brokerage firm or

a bank may also be eligible to vote via the Internet or to vote telephonically by calling the telephone number referenced on their voting form; these proxy services are provided by ADP Investor Communication Services on behalf of the brokerage firms and banks. Submitting your proxy with the Proxy Card or via the Internet or by telephone will not affect your right to vote in person should you decide to attend the Annual Meeting.

THE BOARD OF DIRECTORS

/s/F. THOMAS DUNLAP, JR.  
By: F. THOMAS DUNLAP, JR., Secretary

Santa Clara, California  
April 6, 1998

DOORS WILL OPEN AT 9:30 a.m.

First mailed to stockholders and made available on the Internet (www.intc.com) on or about April 6, 1998

[INTEL LOGO]  
INTEL CORPORATION  
2200 Mission College Boulevard  
Santa Clara, California 95052-8119  
PROXY STATEMENT

The enclosed proxy is solicited by the Board of Directors of Intel Corporation ("Intel" or the "Company") for use in voting at the Annual Meeting of Stockholders to be held at the Santa Clara Convention Center, Santa Clara, California, on Wednesday, May 20, 1998, at 10:00 a.m., and at any postponement or adjournment thereof, for the purposes set forth in the attached notice (the "Annual Meeting" or the "Meeting").

#### Voting and Revocability of Proxies

When proxies are properly dated, executed and returned, the shares they represent will be voted at the Annual Meeting in accordance with the instructions of the stockholder. If no specific instructions are given, the shares will be voted FOR the election of the nominees for directors set forth herein, FOR ratification of the appointment of auditors, and AGAINST the stockholder proposal regarding endorsement of the CERES Principles. In addition, if other matters come before the Annual Meeting, the persons named in the accompanying form of proxy will vote in accordance with their best judgment with respect to such matters. A stockholder giving a proxy has the power to revoke it at any time prior to its exercise by voting in person at the Annual Meeting, by giving written notice to the Secretary prior to the Annual Meeting or by giving a later dated proxy.

If you are a participant in the Company's Sheltered Employee Retirement Plan (the "SERP"), the Proxy Card represents the number of Company shares in your plan account as well as other shares registered in your name. For those shares in your plan account, the Proxy Card will serve as a voting instruction for the trustee of the plan. If voting instructions are not received by the trustee for shares in your plan account, the trustee will not be able to vote those shares on your behalf.

Each share of Common Stock outstanding on the record date will be entitled to one vote on all matters. The eleven candidates for election as directors at the Annual Meeting who receive the highest number of affirmative votes will be elected. The ratification of the independent auditors for the Company for the current year will require the affirmative vote of a majority of the shares of the Company's Common Stock present or represented and entitled to vote at the Annual Meeting. Approval of the stockholder proposal referred to above will require the affirmative vote of a majority of the shares of the Company's Common Stock present or represented and entitled to vote at the Annual Meeting. Because abstentions with respect to any matter are treated as shares present or represented and entitled to vote for the purposes of determining whether that matter has been approved by the stockholders, abstentions have the same effect as negative votes for Proposals 2 and 3 in this Proxy Statement. Broker non-votes and shares as to which proxy authority has been withheld with respect to any matter are not deemed to be present or represented for purposes of determining whether stockholder approval of that matter has been obtained.

Record Date and Share Ownership

Only stockholders of record on the books of the Company at the close of business on March 23, 1998 will be entitled to vote at the Annual Meeting. Presence in person or by proxy of a majority of the shares of Common Stock outstanding on the record date is required for a quorum. As of the close of business on February 27, 1998 there were outstanding 1,626,757,612 shares of Common Stock.

#### ELECTION OF DIRECTORS (Proposal 1)

Unless marked otherwise, proxies received will be voted FOR the election of each of the nominees named below. Each of the current directors has been nominated for election to the Board of Directors. If any such nominee is unable or unwilling to serve as a nominee for the office of director at the time of the Annual Meeting, the proxies may be voted for either (i) a substitute nominee who shall be designated by the proxy holders or by the present Board of Directors to fill such vacancy or (ii) for the balance of the nominees, leaving a vacancy. Alternatively, the size of the Board may be reduced accordingly. The Board of Directors has no reason to believe that any of such nominees will be unwilling or unable to serve if elected as a director. Such persons have been nominated to serve until the next annual meeting of stockholders following the 1998 Annual Meeting or until their successors, if any, are elected or appointed. The Board of Directors recommends a vote FOR the election of each of the nominees listed below.

Craig R. Barrett (3)  
58 Years Old  
Director Since 1992  
President and Chief  
Operating Officer of  
the Company

[PHOTO APPEARS HERE]

Craig R. Barrett has been President of Intel since May 1997, Chief Operating Officer since 1993 and a director of Intel since 1992. The Board of Directors has announced that it plans to elect Dr. Barrett Chief Executive Officer effective May 20, 1998. Dr. Barrett joined the Company in 1975. In 1984 he was elected Vice President and in 1985 became Vice President and General Manager, Components Technology and Manufacturing Group. Dr. Barrett became a Senior Vice President in 1987 and General Manager of the Microcomputer Components Group in 1989. Dr. Barrett was an Executive Vice President from 1990 to 1997. Dr. Barrett is also a director of Komag, Incorporated, and a member of the National Academy of Engineering.

John Browne (1,2)  
50 Years Old  
Director Since  
January, 1997  
Group Chief Executive  
of The British  
Petroleum Company

[PHOTO APPEARS HERE]

John Browne has been a director of Intel since 1997. He has been a Managing Director since 1991 and the Group Chief Executive since 1995 of The British Petroleum Company p.l.c. Mr. Browne is also a director of SmithKline Beecham and a Trustee of the British Museum. Mr. Browne is also a Fellow of the Royal Academy of Engineering in the United Kingdom, a Fellow of the Institute of Mining and Metallurgy and an Honorary Fellow of St. John's College, Cambridge. He is also Emeritus Chairman of the Advisory Board of the Stanford Graduate School of Business, a Trustee of The Conference Board, Inc. and a Vice President and Member of the Board of the Prince of Wales Business Leaders Forum.

Winston H. Chen (1,5)  
56 Years Old  
Director Since 1993  
Chairman of Paramitas  
Foundation

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Winston H. Chen has been a director of Intel since 1993. He is Chairman of Paramitas Foundation, a charitable foundation. During 1978-1994, he held several positions at Solectron Corporation, an electronics contract manufacturer in Milpitas, California, including President, Chief Executive Officer

and Chairman of the Board of Directors. Dr. Chen continues as a director of Solectron. He is also a director of Edison International (Inc.), and a member of the Board of Trustees of Santa Clara University and the Board of Trustees of Stanford University.

Andrew S. Grove (3)  
61 Years Old  
Director Since 1974  
Chairman of the Board  
and Chief Executive  
Officer of the Company

[PHOTO APPEARS HERE]

Andrew S. Grove has been a director of Intel since 1974, Chairman of the Board since May 1997 and Chief Executive Officer of Intel since 1987. The Board of Directors has announced that it plans to elect Craig Barrett Chief Executive Officer effective May 20, 1998. Dr. Grove participated in the founding of the Company in 1968 and served as Vice President and Director of Operations through 1974. He became Executive Vice President in 1975, and was Chief Operating Officer from 1976 to 1989 and President from 1979 to 1997. Dr. Grove is a member of the National Academy of Engineering and a Fellow of the Institute of Electrical and Electronic Engineers ("IEEE").

D. James Guzy (1,4,5)  
62 Years Old  
Director Since 1969  
Chairman of the Arbor  
Company

[PHOTO APPEARS HERE]

D. James Guzy has been a director of Intel since 1969 and is Chairman of the Nominating Committee. Since 1969, he has been Chairman of the Arbor Company, a limited partnership engaged in the electronics and computer industry. Mr. Guzy is also a director of Cirrus Logic, Inc., Micro Component Technology, Inc., Novellus Systems, Inc., Davis Selected Group of Mutual Funds, Alliance Capital Management Technology Fund and Chairman, President and Chief Executive Officer of SRC Computers Inc.

Gordon E. Moore (3)  
69 Years Old  
Director Since 1968  
Chairman Emeritus of  
the Board of the  
Company

[PHOTO APPEARS HERE]

Gordon E. Moore has been a director of Intel since 1968 and Chairman Emeritus of the Board since May 1997. Dr. Moore co-founded the Company in 1968 and has served on the Board since that time. Prior to 1975, Dr. Moore served as Executive Vice President. Between 1975 and 1979, Dr. Moore served as President, between 1975 and 1987 he served as Chief Executive Officer of the Company, and he served as Chairman of the Board from 1979 to 1997. Currently, Dr. Moore is also a director of Gilead Sciences, Inc. and Transamerica Corporation. He is also Chairman of the Board of Trustees of the California Institute of Technology, a member of the National Academy of Engineering, a Fellow of the IEEE and a member of the Board of Directors of Conservation International.

Arthur Rock (1-5)  
71 Years Old  
Director Since 1968  
Venture Capitalist

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Arthur Rock has been a director of Intel since its founding in 1968. He is the Lead Independent Director and he is Chairman of the Executive Committee, the Audit & Finance Committee, and the Corporate Governance Committee of the Board of Directors. Mr. Rock is a principal of Arthur Rock & Company, a venture capital firm. He is also a director of Argonaut Group, Inc.,

AirTouch Communications, Inc. and Echelon Corporation, and a trustee of the California Institute of Technology.

Jane E. Shaw (1, 2)  
59 Years Old  
Director Since 1993  
Chairman and CEO of  
AeroGen, Inc.

Jane E. Shaw has been a director of Intel since 1993. She is Chairman and CEO of AeroGen, Inc., a private company specializing in controlled delivery of drugs to the lungs. She founded The Stable Network, a biopharmaceutical consulting company, in 1995. She was President and Chief Operating Officer of ALZA Corporation, a drug delivery company, from 1987 to 1994. She is currently a director of Aviron, McKesson Corporation, Boise Cascade Corporation, Point Biomedical Corporation and Chairman of the Board of IntraBiotics Pharmaceuticals, a privately-held developer of antimicrobial drugs.

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Leslie L. Vadasz  
61 Years Old  
Director Since 1988  
Senior Vice President,  
Director of Corporate  
Business Development of  
the Company

Leslie L. Vadasz has been a director of Intel since 1988 and became Senior Vice President, Director of Corporate Business Development in 1991. Mr. Vadasz joined the Company in 1968 when it was founded and became Director of Engineering in 1972. In 1975 he was elected Vice President and in 1976 became Assistant General Manager of the Microcomputer Division. From 1977 to 1979, he was Vice President, General Manager of the Microcomputer Components Division. Mr. Vadasz became a Senior Vice President in 1979 and served as Director of Corporate Strategic Staff from 1979 to 1986. From 1986 to 1990, he was Senior Vice President, General Manager, then President of the Systems Group. He is a Fellow of the IEEE.

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David B. Yoffie (2,4,5)  
43 Years Old  
Director Since 1989  
Professor of  
International Business  
Administration, Harvard  
University

David B. Yoffie has been a director of Intel since 1989. He is Chairman of the Compensation Committee of the Board of Directors. He has been Professor of International Business Administration at Harvard University since 1990 and in June 1993 was appointed to the position of Max & Doris Starr Professor of International Business Administration. He was Associate Professor of Business Administration from 1985 to 1990 and has been on the Harvard faculty since 1981. He is also a member of the Boards of Directors of Evolve Software, Inc., Physiologica, Inc., Bion, Inc. and the National Bureau of Economic Research.

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Charles E. Young  
(1,4,5)  
65 Years Old  
Director Since 1974  
Chancellor Emeritus of  
the University of  
California, Los Angeles

Charles E. Young has been a director of Intel since 1974. He is Chancellor Emeritus of the University of California at Los Angeles. Dr. Young served as Chancellor of the University of California from 1968 to 1997. He is also Chairman of the Board of the Governors Foundation for the International Exchange of Scientific and Cultural Information by Telecommunications, a member of the National Committee on United States-China Relations, Inc., a director of Nicholas-Applegate Fund, Inc. and a trustee of

[PHOTO APPEARS HERE]

Nicholas-Applegate Mutual Funds.

- (1) Member of the Audit & Finance Committee.
- (2) Member of the Compensation Committee.
- (3) Member of the Executive Committee.
- (4) Member of the Nominating Committee.
- (5) Member of the Corporate Governance Committee

Except as noted above, each of the nominees has been engaged in the principal occupation set forth above during the past five years. There are no family relationships among any directors or executive officers of the Company. Stock ownership information is shown under the heading "Security Ownership of Certain Beneficial Owners and Management" and is based upon information furnished by the respective individuals.

Directors Emeriti

The following have been elected by the Board of Directors to act as Directors Emeriti. Directors Emeriti are eligible to attend Board and Committee meetings, but do not have voting rights.

Richard Hodgson 80 Years Old Director Emeritus since 1993. Self-Employed Industrialist	Richard. Hodgson is a self-employed industrialist and was a director of Intel from 1974 until 1993. He was formerly a Corporate Senior Vice President of International Telephone and Telegraph Company and had worldwide responsibility for the Engineered Products Group.
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Sanford Kaplan 81 Years Old Director Emeritus since 1993. Private Investor	Sanford Kaplan is a private investor and was a director of Intel from 1974 until 1993. Mr. Kaplan retired from Xerox Corporation in 1977 where he had served as a Senior Vice President and Director since 1969. Prior to that time, Mr. Kaplan was a Senior Vice President and director of Scientific Data Systems, Inc., a mainframe computer manufacturer acquired by Xerox in 1969. Prior thereto, Mr. Kaplan was with Ford Motor Company for 15 years where he held various management positions.
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Max Palevsky 72 Years Old Director Emeritus since 1997. Self-Employed Industrialist	Max Palevsky is a self-employed industrialist and has been Director Emeritus since May 1997. He was a director of Intel from 1968 to 1997. He serves as a director of Komag, Incorporated. Mr. Palevsky founded Scientific Data Systems, Inc. in 1961, which was acquired by Xerox Corporation in 1969, at which time he became a director and Chairman of the Executive Committee of Xerox Corporation. He retired as a director of Xerox in 1972.
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BOARD COMMITTEES AND MEETINGS

The Company has standing Executive, Audit & Finance, Nominating, Compensation, and Corporate Governance Committees of the Board of Directors. The members of the Committees are identified with the list of Board nominees on the preceding pages.

The Executive Committee may exercise the authority of the Board between Board meetings, except to the extent the Board has delegated authority to another Committee or to other persons, and except as limited by Delaware law. The Executive Committee acted by written consent one time in 1997 and did not hold any formal meetings.

The Audit & Finance Committee recommends for approval by the Board of Directors a firm of certified public accountants whose duty it is to audit the financial statements of the Company for the fiscal year in which they are appointed. The Committee monitors the effectiveness of the audit effort, the Company's internal financial and accounting organization and controls and financial reporting, and oversees the Company's internal compliance programs. The Audit & Finance Committee also considers various capital and investment matters. The Audit & Finance Committee held 3 meetings during 1997.

The Nominating Committee makes recommendations to the Board regarding the size and composition of the Board. The Committee



establishes procedures for the nomination process, recommends candidates for election to the Board of Directors and nominates officers for election by the Board. The Nominating Committee held 1 meeting during 1997. The Nominating Committee will consider nominees proposed by the stockholders. Any stockholder who wishes to recommend a prospective nominee for the Board of Directors for the Nominating Committee's consideration may do so by giving the candidate's name and qualifications in writing to the Secretary of the Company, M/S SC4-203, 2200 Mission College Blvd., Santa Clara, CA 95052-8119.

The Corporate Governance Committee was established at the July 1997 meeting of the Board of Directors and met concurrently with the Board at that time. The Committee reviews and reports to the Board on a periodic basis with regard to matters of corporate governance. The Committee also reviews and assesses the effectiveness of the Board's Guidelines on Significant Corporate Governance Issues and recommends to the Board proposed revisions thereto.

The Compensation Committee administers the Company's stock option plans, including the review and grant of stock options to officers and other employees under the Company's stock option plans. The Compensation Committee also reviews and approves various other Company compensation policies and matters, and reviews and approves salaries and other matters relating to compensation of the executive officers of the Company. The Compensation Committee acted by written consent 5 times and met 1 time during 1997.

The Board of Directors held 7 meetings and acted by written consent 2 times during 1997. Each director is expected to attend each meeting of the Board and those committees on which he or she serves. No director attended less than 75% of all the meetings of the Board and those committees on which he or she served in 1997.

#### CORPORATE GOVERNANCE GUIDELINES AND POLICIES

The Board of Directors has adopted Guidelines on Significant Corporate Governance Issues (the "Corporate Governance Guidelines") and in 1997 established a Corporate Governance Committee to oversee the Guidelines and to report and make recommendations to the Board concerning corporate governance matters. Among other matters, the Board's corporate governance guidelines and policies include the following:

1. A majority of the members of the Board of Directors are independent directors, as defined in the applicable rules for NASDAQ-traded issuers. Independent directors do not receive consulting, legal or other fees from the Company, other than Board compensation.
2. Directors stand for re-election every year. Directors may not stand for re-election after age 72.
3. Members of Board Committees are appointed by the Board.
4. The Audit & Finance, Nominating, Compensation and Corporate Governance Committees consist entirely of independent directors.
5. The Board has initiated a process whereby the Board and its members are subject to periodic evaluation and assessment.
6. The Board annually reviews the Strategic Long Range Plan, business unit initiatives, capital projects and budget matters.
7. The Board has established the position of Lead Independent Director, who is currently the independent director who also serves as Chairman of the Executive Committee. Independent directors meet on a regular basis apart from other Board members and management representatives, and the Lead Independent Director is responsible for setting the agenda and running these meetings.
8. Succession planning and management development are reported periodically by the CEO and the President to the Board.
9. The Board evaluates the performance of the CEO and other senior management personnel at least annually.
10. Incentive compensation plans link pay directly and

objectively to measured financial goals set in advance by the Compensation Committee. See "Report of the Compensation Committee on Executive Compensation" for additional information.

The Corporate Governance Guidelines are published on the Internet at the Company's Investor Relations web site ([www.intc.com](http://www.intc.com)).

#### DIRECTORS' COMPENSATION

Directors who are Company employees receive no additional or special remuneration for serving as directors. Non-employee directors are paid \$20,000 per year. In addition, non-employee directors are paid \$2,000 plus out-of-pocket expenses per Board of Directors regular meeting attended. Mr. Rock receives an additional \$6,000 as Chairman of the Executive Committee.

Non-employee directors are also granted stock options by the Company. In accordance with the Company's 1984 Stock Option Plan, the exercise price must be equal to the fair market value on the date of grant. During 1997, each non-employee director was granted an option to purchase a total of 5,000 shares at an exercise price of \$81.78 per share. Mr. Browne was also granted an additional 5,000 shares at an exercise price of \$70.28 shortly after he joined the Board of Directors in 1997. Non-employee director options are exercisable in full one year from the date of grant. Under the 1984 Stock Option Plan option grants to non-employee directors may not exceed 10,000 shares per director per year (as adjusted for stock splits); currently, the non-employee directors receive option grants for 5,000 shares per year.

In 1990, the Company adopted a retirement program for non-employee directors. The Director's Retirement Program provides a retirement benefit to any director who is not an employee of the Company and who has either been a non-employee director for at least ten years or has been a non-employee director for at least five years and retires after age 65. The retirement program will pay an annual benefit equal to the retainer fee in effect at the time of payment, to be paid beginning at commencement of retirement and continuing for the lesser of the number of years served as a non-employee director or the life of the director. Pursuant to the Director's Retirement Program, Messrs. Hodgson, Kaplan and Palevsky are each eligible to receive an annual benefit equal to \$20,000, payable in quarterly installments. Messrs. Hodgson and Kaplan each received \$20,000 under this plan in 1997. Mr. Palevsky received \$15,000 under this plan in 1997. In March 1998, the Board of Directors decided to vest accrued benefits under the retirement program and otherwise to terminate the retirement program.

#### REPORT OF THE COMPENSATION COMMITTEE ON EXECUTIVE COMPENSATION

The Company's executive compensation program is administered by the Compensation Committee of the Board of Directors. In this regard, the role of the Compensation Committee, which is comprised entirely of outside, non-employee directors, is to review and approve salaries and other compensation of the executive officers of the Company and to administer the Executive Officer Bonus Plan (the "EOBP"). The Committee also reviews and approves various other Company compensation policies and matters and administers the Company's stock option plans, including the review and approval of stock option grants to the executive officers of the Company.

#### General Compensation Philosophy

The Company's general compensation philosophy is that total cash compensation should vary with the performance of the Company in attaining financial and non-financial objectives and that any long-term incentive compensation should be closely aligned with the interests of the stockholders. The Company has several performance-based compensation programs in which the majority of Intel's employees are eligible to participate. Most Company employees not compensated on a commission basis participate in the Employee Bonus Program (the "EBP"). For the executive officers, participation in the EOBP is in lieu of participation in the EBP.

Total cash compensation for the majority of Intel's employees, including its executive officers, consists of the following components:

- Base salary;

- A cash bonus (either through the EBP or the EOBP) that is related to growth in earnings per share of the Company and is based on an individual bonus target for the performance period (See "Executive Officer Bonus Plan" for a discussion of the bonus plan covering executive officers); and
- A cash bonus that is proportional to corporate profitability and which is paid to all employees of the Company (See "Employee Cash Bonus Plan").

Long-term incentive compensation is realized through the granting of stock options to most employees, including eligible executive officers. The Company has no other long-term incentive plans.

In addition to encouraging stock ownership by granting stock options, the Company further encourages its employees to own Company stock through a tax-qualified employee stock purchase plan which is generally available to all employees. This plan allows participants to buy Company stock at a discount to the market price with up to 10% of their salary and bonuses (subject to certain limits), therefore allowing employees to profit when the value of the Company's stock increases over time.

#### Setting Executive Compensation

In setting the base salary and individual bonus target amount (hereafter together referred to as "BSBT") for executive officers, the Compensation Committee reviews information relating to executive compensation of US-based companies that are considered generally comparable to the Company (a substantial majority of which companies are included in the Dow Jones Technology Index). While there is no specific formula that is used to set pay in relation to this market data, executive officer BSBT is generally set to be slightly below the median salaries for comparable jobs in the market place. However, when the Company's business groups meet or exceed certain predetermined financial and non-financial goals, amounts paid under the Company's performance-based compensation programs may lead to total cash compensation levels which are higher than the median salaries for comparable jobs. The Compensation Committee also reviews the compensation levels of the executive officers for internal consistency relative to the 100 most highly paid employees of the Company.

Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), places a limit of \$1,000,000 on the amount of compensation that may be deducted by the Company in any year with respect to each of the Company's five most highly paid executive officers. Certain performance based compensation that has been approved by stockholders is not subject to the deduction limit. The Company's 1984 and 1988 stock option plans

and the EBOP are qualified so that awards under such plans constitute performance based compensation not subject to Section 162(m) of the Code. However, in order to maintain flexibility in compensating executive officers in a manner designed to promote varying corporate goals, the Compensation Committee has not adopted a policy that all compensation must be deductible.

#### Base Salary

The Compensation Committee reviews the history of and proposals for the compensation package of each of the Company's executive officers, including BSBT and its base salary and performance based compensation components. The base salary is then set as a percentage of BSBT, taking into account the level and amount of responsibility of the individual. In general, executive officers having the highest level and amount of responsibility have the lowest percentage of their BSBT as base salary and the highest percentage of their BSBT as their individual bonus target amount. For example, in 1997, the base salary for Dr. Grove, the executive officer with the highest level and amount of responsibility, was 50% of his total BSBT. The other executives' base salaries were determined in the same manner, but the base salary segment as a percentage of their BSBT for 1997 ranged from 50% to 67% depending on their job responsibilities. Once fixed, base salary does not depend on the Company's performance.

As a result of this process, and in accordance with the Company's compensation philosophy that total cash compensation should vary with Company performance, the Compensation Committee

establishes base salaries of the Company's executive officers at levels which the Compensation Committee believes are below the median base salaries of executives of companies considered by the Compensation Committee to be comparable to the Company. Thus, as set forth below, a large part of each executive officer's potential total cash compensation is dependent on the performance of the Company as measured through its performance based compensation programs.

#### Performance Based Compensation

##### Executive Officer Bonus Plan

The EOBP is a cash-based incentive bonus program. The purpose of the EOBP is to motivate and reward eligible employees for good performance by making a portion of their cash compensation dependent on growth in diluted earnings per share ("EPS") of the Company.

The EOBP provides for the determination of a maximum bonus amount which is established annually for each executive officer pursuant to a predetermined objective formula, subject to a maximum annual limit of \$5,000,000. Under this predetermined formula, the maximum bonus payment for any performance period is the product of (i) the executive officer's individual bonus target for the performance period and (ii) the numerical value of the Company's EPS for the performance period multiplied by a pre-established factor (the "multiplier") which is set by the Compensation Committee. For purposes of this formula, "EPS" means the greater of (x) the Company's operating income or (y) the Company's net income, in each case per weighted average common shares outstanding assuming dilution during such performance period. Operating income does not include interest and other income earned by the Company and does not include a deduction for interest expense and income taxes; as a result, the figure for operating income per share generally exceeds the figure for net income per share. The EPS data to be utilized in the calculations (and which is also used in the Company's published financial statements) is reviewed and approved by the Compensation Committee.

In January 1997, the Compensation Committee established individual bonus targets which ranged from \$75,000 to \$465,000 for each of the then executive officers (representing a range of 33% to 50% of BSBT), and set the multiplier as 1.26 for the 1997 performance period. During this period, operating income per share of \$5.51 exceeded net income per share of \$3.87 and led to an EPS value, as defined, of \$5.51 to be used in the formula for determining the maximum bonus amount

Under the EOBP, the Compensation Committee has discretion to reduce (but not to increase) an individual's actual bonus payment from the amount which would otherwise be payable under the above formula. In the past, the Compensation Committee has exercised its discretion to pay bonuses at amounts which were below the maximum amounts permitted under the EOBP. The EOBP does not specify the factors which the Compensation Committee evaluates in the exercise of its discretion to reduce bonus payments under the EOBP and does not require the

Compensation Committee to make such a reduction. The EOBP requires that an executive officer be on the Company's payroll as of the last day of the performance period for which the bonus is payable in order to be eligible to receive payment of the bonus for such performance period.

For the 1997 performance period, the Compensation Committee chose to exercise its discretion to reduce the bonus amounts paid under the EOBP to the amounts which would have been paid to the executive officers under the EBP. Bonus payments under the EBP are generally lower than the maximum bonuses payable under the EOBP in part because the EBP formula utilizes the reported net income per share amount (adjusted to reflect any unusual income statement items) whereas the EPS utilized in the EOBP formula is based on the greater of operating income or net income as described above. The EBP formula also takes into account whether certain business group objectives have been met over the performance period. For example, for 1997, business group objectives considered in determining the payouts under the EBP included financial and non-financial goals such as sales, customer satisfaction, productivity measures, cost reduction and employee training. The particular goals are set each year and vary from year to year. In determining bonuses payable to the executive officers with responsibility for overall performance of

the Company, such as the Chief Executive Officer and the Chief Operating Officer, the Compensation Committee took into account the corporate average score on achievement of business objectives. For those executive officers with specific responsibility for a particular business group, achievement scores were based on either the individual business group's score, or a combination of the group's score and the corporate average score.

#### Employee Cash Bonus Plan

The Employee Cash Bonus Plan (the "ECBP") is a profit-sharing program that offers cash rewards to all employees, including executive officers, based on corporate profitability. Twice a year, employees receive .55 day's pay for every two percentage points of corporate pretax profit as a percentage of revenues, or a total payment based on 4% of net income, whichever is greater. The Employee Cash Bonus is paid in the first and third quarters of each year based on corporate performance for the preceding two quarters.

During 1997, payments based on 4% of net income resulted in an annual cash bonus payout under the ECBP of 27.9 days' pay per employee or 10.7% of eligible employee earnings. Employees were awarded an additional 2.0 days' pay during 1997 as a result of meeting corporate goals under a vendor of choice (customer satisfaction) program.

#### Profit Sharing Retirement Plans

The Company has both tax-qualified and non-qualified capital accumulation/retirement plans (the "Profit Sharing Retirement Plans"). The tax-qualified plans are available to eligible employees in the U.S. and Puerto Rico, and there are similar Plans for certain of the Company's non-U.S. subsidiaries. The non-qualified plan is a supplemental plan which provides to eligible employees in the U.S. those contributions that could not be contributed to their accounts under the qualified plan because of limitations under the Code. The Profit Sharing Retirement Plans are defined contribution plans that are designed to accumulate retirement funds for employees, including the executive officers, and to allow the Company to make contributions or allocations to those funds. The Company contribution is totally discretionary and is not based on any formula. The contributions approved by the Board may vary with the financial performance of the Company, in particular, the revenues and EPS of the Company. However, there are no corporate performance factors or other specific factors that are required to be considered by the Board in determining the contribution. Contributions made by the Company under the plans vest based on years of service. Vesting begins after three years of service in 20% annual increments until the employee is 100% vested after seven years.

For 1997, the discretionary Company contributions (including allocation of forfeitures) to the Profit Sharing Retirement Plans for all eligible employees, including executive officers, equaled 12.5% of eligible salary. Contributions to the qualified plan are limited under the Code. Where Code limits applied, the excess, up to 12.5% of eligible salary, was allocated to the non-qualified plan for eligible employees, including executive officers.

#### Stock Options

Stock options are granted by the Company to aid in the retention of employees and to align the interests of employees with those of the stockholders. Stock options have value for an employee only if the price of the Company's stock increases above the fair market value on the grant date and the employee remains in the Company's employ for the period required for the stock option to be exercisable, thus providing an incentive to remain in the Company's employ. In addition, stock options directly link a portion of an employee's compensation to the interests of stockholders by providing an incentive to maximize stockholder value.

The Company has a 1997 Stock Option Plan (the "1997 SOP") for use with employees other than officers and directors; and 1984 and 1988 Stock Option Plans, as amended, which are generally used for making grants to officers and directors. Grants under the 1997 SOP may be made at the time an employee commences working for the Company and thereafter may be made on an annual basis as a part of the Company's employee performance review

process. In general, initial grants are exercisable in increasing increments over a five-year period and subsequent grants are first exercisable five years after the date of grant (e.g., options granted in 1997 become exercisable in 2002). Stock options under all three plans are granted at a price equal to the fair market value on the date of grant.

In 1997, the stock option program was expanded to include virtually all employees worldwide. This broadened participation extends the benefits of retention and alignment of employee and stockholder interests to all employees, providing a competitive advantage while not exceeding the Company's dilution goals. The level of stock options granted (i.e., the number of shares subject to each stock option grant) is based on the Committee's evaluation of an employee's ability to impact future corporate results. An employee's ability to affect future corporate results depends on the level and amount of job responsibility of the individual. Therefore, the level of stock options granted is directly proportional to job responsibility. However, the total number of shares subject to options that may be granted to any one participant in any year is limited to 1% of the total number of shares outstanding.

In 1997, stock options for the executive officers were granted upon recommendation of management and approval of the Compensation Committee based on their subjective evaluation of the appropriate amount for the level and amount of responsibility of each executive officer.

#### Company Performance and CEO Compensation

The Company's compensation program is leveraged towards the achievement of corporate and business objectives. This pay-for-performance program is most clearly exemplified in the compensation of the Company's Chief Executive Officer, Dr. Grove.

Dr. Grove does not have an employment contract. Dr. Grove's BSBT is determined in the same manner as described above for all executive officers. In setting compensation levels for the Chief Executive Officer, the Compensation Committee considers data reflecting comparative compensation information from other companies. In line with the Compensation Committee's general practice and discretionary authority, however, Dr. Grove's 1997 salary and individual bonus target were not tied directly to the comparative compensation data. Dr. Grove's base salary and bonus target were set at levels which, by comparison to selected companies reflected in the market data (a majority of which companies are included in the Dow Jones Technology Index), were 54% of the average for base salary, 49% of the average for target incentive based compensation and 51% of the average for BSBT.

Under the EOBP, Dr. Grove's actual bonus for 1997 (paid in 1998) was \$2,669,100. This bonus, like the bonuses paid to each of the other executive officers under the EOBP, was less than the maximum bonus provided under the EOBP formula due to the Compensation Committee's exercise of its discretion to reduce the maximum bonus to the bonus derived by utilizing the EBP formula as described above. Although Dr. Grove's BSBT was 51% of the average total target compensation of the selected peer group, due to the high variability in the Company's total compensation program and to the Company's excellent 1997 financial performance, his actual cash compensation (i.e., base salary and bonus) for 1997 was 144% of the average total actual cash compensation of the selected peer group.

In 1997, the Compensation Committee awarded Dr. Grove stock options to purchase 72,000 shares of stock. The options first become exercisable in 2002. In 1998, the Company also contributed \$20,000 to Dr. Grove's account under the tax-qualified retirement plan and allocated \$364,000 to Dr. Grove's account under the non-qualified retirement plan, based on the Company's 1997 results. In general, Dr. Grove's retirement plan accounts are available to Dr. Grove only upon termination, retirement, death or disability.

The Compensation Committee is pleased to submit this report to the stockholders with regards to the above matters.

Compensation Committee:

David Yoffie, Chairman     Arthur Rock  
John Browne                 Jane Shaw

From January to May 1997, Messrs. Guzy, Palevsky and Rock and Dr. Yoffie served on the Compensation Committee. From May to December, Messrs. Browne and Rock and Drs. Yoffie and Shaw served on the Compensation Committee. Dr. Moore, who is an officer of the Company and the Company's Chairman Emeritus of the Board, is not eligible to receive stock options. Mr. Rock was formerly a non-employee officer of the Company as Chairman of the Board from 1970 to 1975.

#### EMPLOYMENT CONTRACTS AND CHANGE OF CONTROL ARRANGEMENTS

None of the Company's executive officers has employment or severance arrangements with the Company.

#### CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The sister-in-law of David Yoffie, one of the Company's directors, is President of Research Communications, Inc., a market research company. During fiscal 1997, Intel paid Research Communications \$64,250 for market research and consulting services. Dr. Yoffie has no financial interest in Research Communications.

In November 1997, the Company loaned \$1,134,000 to Sean Maloney pursuant to the Intel employee relocation program. Mr. Maloney was a Vice President of the Company at the time of the loan, and became an executive officer in February 1998. This loan is secured by his house, bears interest at 4.1%, and is due in full in November 1998.

#### STOCK PRICE PERFORMANCE GRAPH

##### COMPARISON OF FIVE-YEAR CUMULATIVE RETURN AMONG INTEL, THE S&P 500 INDEX AND THE DOW JONES TECHNOLOGY INDEX

Set forth below is a line graph comparing the cumulative total stockholder return on the Company's Common Stock against the cumulative total return of the Standard & Poor's 500 Stock Index and the Dow Jones Technology Index for the period of five years commencing December 26, 1992 and ending December 27, 1997. The graph and table assume that \$100 was invested on December 26, 1992 in each of the Company's Common Stock, the Standard & Poor's 500 Stock Index and the Dow Jones Technology Index and that all dividends were reinvested. This data was furnished by Standard & Poor's Compustat Services, Inc. and Dow Jones and Company, Inc. Intel and the Dow Jones Technology Index are based on Intel's fiscal year. The S&P 500 Index is based on a calendar year.

[PERFORMANCE GRAPH APPEARS HERE]

	1992	1993	1994	1995	1996	1997
	----	----	----	----	----	----
Intel Corporation	\$100	\$138	\$143	\$254	\$609	\$638
S&P 500 Index	\$100	\$110	\$112	\$153	\$189	\$252
Dow Jones Technology Index	\$100	\$115	\$130	\$185	\$243	\$282

#### EXECUTIVE COMPENSATION

The following tables set forth the annual compensation for the Chief Executive Officer and the four other most highly compensated executive officers of the Company. All references to shares of Common Stock are adjusted for the 2:1 stock split in 1997.

<TABLE>  
SUMMARY COMPENSATION TABLE  
<CAPTION>

Name and Principal Position	Year	Annual Compensation		Long-Term Compensation Awards (2) Options (#) (3)	All Other Compensation (\$) (4)
		Salary (\$)	Bonus (\$) (1)		
-----	----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>
Andrew S. Grove	1997	465,000	2,790,400	72,000	384,000
Chairman of the Board and Chief	1996	425,000	2,578,300	144,000	347,500
	1995	400,000	2,356,700	192,000	266,100

Executive Officer

Craig R. Barrett	1997	365,000	2,190,100	60,000	295,000
President and	1996	325,000	1,971,800	96,000	261,400
Chief Operating Officer	1995	300,000	1,767,500	128,000	196,800
Gerhard H. Parker	1997	275,000	1,382,300	232,000	187,200
Executive Vice	1996	250,000	1,207,400	48,000	159,900
President	1995	235,000	1,029,500	64,000	120,100
General Manager, Technology and Manufacturing Group					
Paul S. Otellini	1997	225,000	1,179,800	232,000	161,100
Executive Vice	1996	200,000	1,050,500	48,000	136,600
President	1995	185,000	892,700	64,000	91,100
General Manager, Intel Architecture Business Group					
Albert Y. C. Yu	1997	215,000	1,185,500	224,000	144,100
Senior Vice	1996	205,000	925,800	36,000	119,300
President	1995	195,000	749,800	48,000	92,400
General Manager Microprocessor Products Group					

</TABLE>

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- (1) This amount includes the bonuses paid under the Executive Officer Bonus Plan for 1995, 1996 and 1997, the Employee Cash Bonus Plan for each of the covered years and a one-time bonus of \$1,000 per employee in 1996.
- (2) The Company does not offer any Restricted Stock Awards, Stock Appreciation Rights or other Long-Term Incentive Programs .
- (3) Indicates number of shares of Common Stock underlying options.
- (4) All amounts listed in this column are discretionary Company contributions made under the Company's non-qualified, defined contribution plan and amounts contributed to the Company's broad-based defined contribution retirement plan (for each of the named executives such amounts were \$20,000 for each of the years presented). These amounts are to be paid out to the named executives (or any other plan participant) only upon retirement, termination, disability or death.

<TABLE>  
 OPTION GRANTS IN LAST FISCAL YEAR  
 <CAPTION>

Name	INDIVIDUAL GRANTS				Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for option term (\$)	
	Securities Underlying Options Granted (#) (1)	% of Total Options Granted to Employees in Fiscal Year	Exercise or Base Price (\$/Share) (2)	Expiration Date	Annual Rates of Stock Price Appreciation for option term (\$)	
					5%	10%
A. Grove	72,000	0.23%	\$69.69	4/22/07	3,155,500	7,996,700
C. Barrett	60,000	0.19%	\$69.69	4/22/07	2,629,600	6,663,900
G. Parker	32,000 200,000	0.10% 0.64%	\$69.69 \$76.38	4/22/07 11/12/07	1,402,400 9,606,400	3,554,100 24,344,400
P. Otellini	32,000 200,000	0.10% 0.64%	\$69.69 \$76.38	4/22/07 11/12/07	1,402,400 9,606,400	3,554,100 24,344,400
A. Yu	24,000 200,000	0.08% 0.64%	\$69.69 \$76.38	4/22/07 11/12/07	1,051,800 9,606,400	2,665,600 24,344,400

</TABLE>



- (1) These options are first exercisable in 2002, except for the options for 200,000 shares granted to Dr. Parker and Messrs. Otellini and Yu which are exercisable on various dates between 2002 and 2005.
- (2) Under all stock option plans, the option purchase price is equal to fair market value at the date of the grant. All of these options were granted on April 22, 1997, except for the options for 200,000 shares which were granted to each of Dr. Parker and Messrs. Otellini and Yu on November 12, 1997.
- (3) In accordance with SEC rules, these columns show gains that might exist for the respective options, assuming the market price of Intel's Common Stock appreciates from the date of grant over a period of ten years at the annualized rates of five and ten percent, respectively. If the stock price does not increase above the exercise price at the time of exercise, realized value to the named executives from these options will be zero.

<TABLE>  
 AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR  
 AND FISCAL YEAR-END OPTION VALUES  
 <CAPTION>

Name	Shares Acquired on Exercise(#)	Value Realized(\$)	Securities Underlying Unexercised Options at December 27, 1997 (#) (1)		Value of Unexercised In-the-Money Options at December 27, 1997 (\$) (2)	
			Exer- cisable	Unexer- cisable	Exer- cisable	Unexer- cisable
<S>	<C>	<C>	<C>	<C>	<C>	<C>
A. Grove	648,000	48,958,356	0	744,000	0	34,337,500
C. Barrett	0	0	1,844,336	508,000	122,877,600	22,905,900
G. Parker	100,000	7,739,100	491,488	456,000	32,606,300	11,455,300
P. Otellini	72,928	5,549,612	359,664	676,000	21,922,700	24,043,300
A. Yu	4,778	332,668	457,502	416,266	30,490,800	9,972,200

</TABLE>

- (1) This represents the total number of shares subject to stock options held by the named executives at December 27, 1997. These options were granted on various dates during the years 1989 through 1997.
- (2) These amounts represent the difference between the exercise price of the stock options and the closing price of Company stock on December 26, 1997 (last day of trading for the fiscal year ended December 27, 1997) for all in-the-money options held by each named executive. The in-the-money stock option exercise prices range from \$3.67 to \$69.69. These stock options were granted at the fair market value of the stock on the grant date.

PENSION PLAN TABLE

Eligible Compensation (1)	Years of Service at Retirement (2) (3)				
	15	20	25	30	35
\$160,000 and above	\$30,734	\$40,978	\$51,223	\$61,467	\$71,712

- (1) The plan provides for minimum pension benefits that are determined by a participant's years of service credited under the plan, final average compensation, taking into account the participant's Social Security wage base, and the value of the participant's Company contributions, plus earnings, in the profit sharing retirement plan. If the annuity value of the profit sharing account balance exceeds the pension guarantee, the participant will receive benefits from the profit sharing plan only. Compensation includes regular earnings and most bonuses. However, maximum eligible compensation for 1997 is \$160,000, in

accordance with Internal Revenue Code Section 401(a)(17). This amount is subject to cost of living adjustments in accordance with Internal Revenue Code Section 415(d).

- (2) For each of the employees named in the Summary Compensation Table set forth above, the years of credited service as of year-end 1997 under the Company's pension plan are currently as follows: Dr. Grove (29); Dr. Barrett (23); Dr. Parker (28); Mr. Otellini (23); and Mr. Yu (21).
- (3) The table illustrates the estimated annual benefits payable in the form of a straight-life annuity upon retirement at age 65 under the pension plan to persons in the specified compensation and years of service classifications for Social Security benefits. The Employee Retirement Income Security Act of 1974 contains certain limitations on the amount of benefits that may be paid under pension plans qualified under the Internal Revenue Code. The amounts shown are subject to reduction to the extent they exceed such limitations but are not subject to reduction for Social Security benefits.

#### SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

To the Company's knowledge, the following sets forth information regarding ownership of the Company's outstanding Common Stock on February 28, 1998 by (i) beneficial owners of more than 5% of the outstanding shares of Common Stock, (ii) each director, director emeritus and named executive officer, and (iii) all directors, directors emeriti and executive officers as a group. Except as otherwise indicated below and subject to applicable community property laws, each owner has sole voting and sole investment powers with respect to the stock listed. All references to shares of Common Stock are adjusted for the 2:1 stock split in 1997.

<TABLE>  
<CAPTION>

Stockholder -----	Number of Shares of Common Stock Beneficially Owned at February 28, 1998 -----		Percent of Class -----
<S>	<C>	<C>	<C>
Gordon E. Moore, Director and Chairman Emeritus 2200 Mission College Blvd. Santa Clara, California 95052-8119	89,796,243	(1)	5.5%
Craig R. Barrett, Director, President and Chief Operating Officer	2,080,351	(2)	*
John Browne, Director	1,650	(3)	*
Winston H. Chen, Director	210,000	(4)	*
Andrew S. Grove, Director, Chairman and Chief Executive Officer	2,493,453	(5)	*
D. James Guzy, Director	3,273,088	(6)	*
Arthur Rock, Director	6,420,544	(7)	*
Jane E. Shaw, Director	134,034	(8)	*
Leslie L. Vadasz, Director and Senior Vice President	1,921,263	(9)	*
David B. Yoffie, Director	191,600	(10)	*
Charles E. Young, Director	30,900	(11)	*
Richard Hodgson, Director Emeritus	106,725		*
Sanford Kaplan, Director Emeritus	81,200	(12)	*
Max Palevsky, Director Emeritus	615,836	(13)	*
Paul S. Otellini, Executive Vice	473,248	(14)	*

President			
Gerhard H. Parker, Executive Vice President	638,182	(15)	*
Albert Y. C. Yu, Senior Vice President	596,772	(16)	
All directors, directors emeritus and executive officers as a group (30 individuals)	111,951,829	(17)	6.9%

</TABLE>

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\* Less than 1%.

- (1) Includes 500,000 shares held in trusts established for benefit of Dr. Moore's spouse, as to which Dr. Moore disclaims beneficial ownership.
- (2) Includes 500,000 shares held in trusts established for benefit of Dr. Moore's spouse, as to which Dr. Moore disclaims beneficial ownership.
- (3) Includes outstanding options to purchase 1,250 shares, which were exercisable as of February 28, 1998, or within 60 days from such date.
- (4) Includes outstanding options to purchase 130,000 shares, which were exercisable as of February 28, 1998, or within 60 days from such date.
- (5) Includes outstanding options to purchase 192,000 shares, which were exercisable as of February 28, 1998, or within 60 days from such date. Also includes 204,000 shares which are owned by a private charitable foundation as to which Dr. Grove shares asset voting and disposition authority. Dr. Grove does not have a pecuniary interest in the shares held by the foundation.
- (6) Includes 3,082,320 shares held by the Arbor Company of which Mr. Guzy is a general partner. Also includes outstanding options to purchase 190,000 shares, which were exercisable as of February 28, 1998, or within 60 days from such date.
- (7) Includes 1,920 shares held by Mr. Rock's spouse as to which shares Mr. Rock disclaims any beneficial interest and as to which he has no voting or disposition authority. Also includes outstanding options to purchase 190,000 shares which were exercisable as of February 28, 1998, or within 60 days from such date.
- (8) Held in a family trust. Includes outstanding options to purchase 126,000 shares, which were exercisable as of February 28, 1998, or within 60 days from such date.
- (9) Includes outstanding options to purchase 482,336 shares, which were exercisable as of February 28, 1998, or within 60 days from such date. Also includes 42,000 shares which are owned by a private charitable foundation as to which Mr. Vadasz shares asset voting and disposition authority. Mr. Vadasz does not have a pecuniary interest in the shares held by the foundation.
- (10) Includes outstanding options to purchase 190,000 shares, which were exercisable as of February 28, 1998, or within 60 days from such date.
- (11) Includes outstanding options to purchase 30,000 shares, which were exercisable as of February 28, 1998, or within 60 days of such date.
- (12) Includes 20,000 shares held by a family limited partnership of which Mr. Kaplan is a partner.
- (13) Includes 33,384 shares held by Mr. Palevsky's spouse.
- (14) Includes outstanding options to purchase 423,664 shares, which were exercisable as of February 28, 1998, or within 60 days from such date.
- (15) Includes outstanding options to purchase 505,488 shares,

which were exercisable as of February 28, 1998, or within 60 days from such date.

(16) Includes outstanding options to purchase 517,768 shares, which were exercisable as of February 28, 1998, or within 60 days from such date.

(17) Includes outstanding options to purchase 6,711,508 shares, which were exercisable as of February 28, 1998, or within 60 days from such date.

#### RATIFICATION OF SELECTION OF INDEPENDENT AUDITORS (Proposal 2)

Ernst & Young LLP have been the Company's independent auditors since its incorporation in 1968 and at the recommendation of the Audit & Finance Committee of the Board have been selected by the Board of Directors as the Company's independent auditors for the fiscal year ending December 26, 1998. In the event ratification of this selection of auditors is not approved by a majority of the shares of Common Stock voting thereon, management will review its future selection of auditors.

A representative of Ernst & Young LLP is expected to be present at the Annual Meeting and will have an opportunity to make a statement if he or she so desires. The representative will also be available to respond to appropriate questions from the stockholders.

Audit services of Ernst & Young LLP for 1997 included the examination of the consolidated financial statements of the Company and services related to filings made with the Securities and Exchange Commission, as well as certain services relating to the consolidated quarterly reports and annual and other periodic reports at international locations.

The Audit & Finance Committee of the Company meets twice a year with Ernst & Young LLP and, on an annual basis, reviews both audit and non-audit services performed by Ernst & Young LLP for the preceding year as well as the fees charged by Ernst & Young LLP for such services. Non-audit services are approved by the Audit & Finance Committee, which considers, among other things, the possible effect of the performance of such services on the auditors' independence.

The Board of Directors recommends a vote FOR ratification of the appointment of Ernst & Young LLP as independent auditors for the Company for the current year. Unless a contrary choice is specified, proxies solicited by the Board of Directors will be voted FOR ratification of the appointment.

#### STOCKHOLDER PROPOSAL (Proposal 3)

A group of stockholders whose names and addresses and number of shares will be furnished by the Company promptly upon receipt of any request therefor, has submitted the following proposal. The text of the proposal and the supporting statement are set forth below. The proponents must appear personally or by proxy at the Annual Meeting to present the proposal.

WHEREAS, WE BELIEVE: Responsible implementation of a sound, credible environmental policy increases long-term shareholder value by raising efficiency, decreasing clean-up costs, reducing litigation, and enhancing public image and product attractiveness;

Adherence to public standards for environmental performance gives a company greater public credibility than standards created by industry alone. For maximum credibility and usefulness, such standards should specifically meet the concerns of investors and other stakeholders;

Companies are increasingly being expected by investors to do meaningful, regular, comprehensive and impartial environmental reports. Standardized environmental reports enable investors to compare performance over time. They also attract investment from investors seeking companies which are environmentally responsible and which minimize the risk of environmental liability.

WHEREAS: The Coalition for Environmentally Responsible Economies (CERES) - which includes shareholders of this Company; public interest representatives, and environmental experts - consulted with corporations to produce the CERES Principles as comprehensive public standards for both environmental performance and reporting. Scores of companies, including Bank of America,

Baxter International, Bethlehem Steel, General Motors, H. B. Fuller, ITT Industries, Pennsylvania Power and Light, Polaroid, and Sun [Sunoco], have endorsed these principles to demonstrate their commitment to public environmental accountability and standardized reporting. Fortune-500 endorsers say that the benefits of working with CERES are \* public credibility, \* direct access to major environmental and stockholder organizations, \* leadership in designing the rapidly advancing standardization of environmental disclosure, and \* measurable value-added for the company's environmental initiatives;

A company endorsing the CERES Principles commits to work toward:

1. Protection of the biosphere
2. Sustainable natural resource use
3. Waste reduction and disposal
4. Energy conservation
5. Risk reduction
6. Safe products/services
7. Environmental restoration
8. Informing the public
9. Management commitment
10. Audits and reports

[Materials on the CERES Principles and CERES Report Form are obtainable from CERES, 711 Atlantic Avenue, Boston MA 02110, Tel: 617-451-0927, fax: 617-482-2028]

CERES is distinguished from other initiatives for corporate environmental responsibility by being (1) a successful model of shareholder relations; (2) a leader in public accountability through standardized environmental reporting; and (3) a catalyst for significant and measurable environmental improvement within firms.

RESOLVED: Shareholders request the Company to endorse the CERES Principles as a part of its commitment to be publicly accountable for its environmental impact.

#### SUPPORTING STATEMENT

Many investors support this resolution. Those sponsoring similar resolutions at various companies have portfolios totaling \$75 billion. Furthermore, the number of public pension funds and foundations supporting this resolution increases every year. We believe the CERES Principles exceed the European Community regulation for voluntary participation in verified and publicly-reported eco-management and auditing, and that they also exceed the requirements for ISO 14000.

Your vote FOR this resolution will encourage both scrutiny of our Company's environmental policies and reports and adherence to goals supported by management and stockholders alike. We believe the CERES Principles will protect both your investment and your environment.

#### RECOMMENDATION OF THE BOARD OF DIRECTORS

THE BOARD OF DIRECTORS RECOMMENDS A VOTE AGAINST THE STOCKHOLDER PROPOSAL FOR THE FOLLOWING REASONS:

Intel recognizes the Coalition for Environmentally Responsible Economies (CERES) Principles as a program for environmental improvement. Intel is committed to achieving high standards of environmental quality and to providing a safe and healthful workplace for employees, contractors, and communities. In pursuing this goal, Intel frequently receives inputs and suggestions for various programs and has frequently incorporated ideas obtained from others to improve Intel programs. Intel publishes its environmental results on the Internet to assure visibility and opportunity for input. Through this process, Intel has optimized its own programs to meet the specific needs of its business rather than aligning itself to broad and generic guidelines that have been developed to cover industries other than Intel's. For example, Intel has invested heavily in fully integrating new environmental process development into the rapid development of new products.

Intel management has offered (starting well over a year ago) to meet with the stockholder who has introduced the foregoing proposal (the "Proponent") for fact finding discussions regarding CERES and has encouraged the Proponent to "measure us by our results". Intel's focus has been on achieving superior results in environmental, health and safety programs. Intel's management

believes the Company's results in the areas of environmental, health, and safety speak for themselves and continually encourages employees, stockholders, and other stakeholders to measure Intel by these results. Intel's results are highlighted further below and in its Environmental, Health and Safety (EHS) Report, which Intel has made widely available in hard copy and on the Internet for the last 4 years.

Intel's policies go beyond merely complying with applicable laws and regulations. In 1991, Intel adopted its Environment, Health and Safety Policy (the "EHS Policy"), which formalized specific environmental, health and safety goals for the Company. The EHS Policy was most recently revised in late 1995 (which incorporated some

previous inputs from the Proponent) to reflect Intel's efforts to implement ever greater levels of protection and to adjust for changing circumstances and evolving technologies.

While Intel's Board of Directors and management believe that the concerns of the Proponent are well intentioned, the Board of Directors and management believe that adoption of the standardized guidelines represented by the CERES Principles would divert the Company's time, money and effort away from environmental programs that currently are developed and implemented by the Company. Intel management is firmly committed to excellence in its environmental, health, and safety programs. Intel's Board of Directors and management believe that adopting a more generalized and standardized system such as CERES would detract resources from efforts more appropriate to Intel's unique and fast-growing industry.

#### FURTHER DISCUSSION

CERES is a non-profit membership organization comprised of environmental groups, religious organizations, social investors, public pension trustees and public interest groups. CERES has stated that the CERES Principles are intended to help guide the activities of all corporations, regardless of size or industry. Intel believes that many of the concepts set forth in the CERES Principles are already embodied in its EHS Policy.

Intel management expects that implementing the Proposal, i.e., endorsing the CERES Principles, would mean that Intel would (1) revise or supplement its existing environmental policies to conform to each issue addressed under the CERES Principles, regardless of whether the specific criteria is relevant to Intel's operations, (2) consult with CERES in decision making, and (3) pay CERES an annual membership fee and bear substantial management and reporting costs. In light of the Company's existing commitment to environmental policies and its dynamic pursuit of the best manner to advance environmental interests in the context of its overall business, Intel's Board of Directors and management believe that these and other consequences make it inadvisable to implement the Proposal.

The Board of Directors and management also believe that adoption of the CERES Principles would not materially enhance Intel's environmental policy, increase management's awareness of environmental issues, improve Intel's environmental performance or increase management's commitment to environment, health and safety issues or performance. As noted above, Intel has long had a formal, active and extensive program for addressing environmental, health and safety issues. Intel's management has actively pursued full implementation of that program.

As examples of the results of the Company's EHS Policy, Intel has in the past voluntarily undertaken the following activities:

- (1) Periodic publication of an environmental health and safety report, which is freely available to all interested stockholders and any other member of the public both directly from the Company and on its Internet web site. This report provides specific examples regarding Intel's EHS environmental policies and practices. Among other things, the report includes statistical data on health, safety, air emissions, solid waste recycling, chemical waste management, water use and toxic chemical releases. The report also sets forth Intel's environmental goals and targets and Intel's performance vis-a-vis past targets.
- (2) Establishment of Community Advisory Panels ("CAPs"), representing a community cross-section including business, academic, health and community interests, where many of

Intel's larger manufacturing facilities are located. These CAPs actively advise Intel on the community impact of its activities and ways to eliminate or mitigate negative impacts.

- (3) Voluntary participation in several initiatives, including the U.S. Environmental Protection Agency's Project XL, which commits Intel to superior environmental performance in exchange for the approval of additional manufacturing flexibility. As part of this project, Intel has developed a single environmental master plan for one of its facilities which includes air pollutant emission caps, water conservation goals, and waste and chemical waste recycling goals. This plan was developed and is being implemented with help from a team that includes community members and EPA and local government representatives.
- (4) Use of an active internal audit process pursuant to which Intel's EHS staff and outside experts periodically audit each of its operating facilities to assess performance. The results of these audits are used to help establish areas for improvement.
- (5) Use of OSHA recording definitions on a world-wide basis for the collection of data on occupational injuries and illnesses. Over the past 4 years, Intel has reduced employee injury and illness rates by an average of 30% per year, and now has one of the lowest rates in all of industry.

These are just a few examples of Intel's many EHS efforts. More information can be found in Intel's most recent EHS report, entitled, "Designing for Safety and the Environment," which is available directly from the Company or on its Internet web site at [www.intc.com](http://www.intc.com).

Intel continually strives to improve its environmental policies and to consider and mitigate the environmental impact of its expanding and changing business. Intel's Board of Directors and management believe that endorsing the CERES Principles will not change Intel's substantive commitment to good environmental policies. Intel's current EHS Policy is one that the Board of Directors and management believe provides an environmental program most suited to Intel's business and operations. The Board of Directors and management believe that the Company should not lose the flexibility to design the best environmental programs by adopting and having to conform to the CERES Principles.

Therefore, the Board of Directors recommends a vote AGAINST Proposal 3 to endorse the CERES Principles. Unless a contrary choice is specified, proxies solicited by the Board of Directors will be voted AGAINST Proposal 3.

#### OTHER MATTERS

Section 16(a) Beneficial Ownership Reporting Compliance. Section 16(a) of the Securities Exchange Act of 1934 requires the Company's directors and executive officers, and persons who own more than ten percent of a registered class of the Company's equity securities, to file reports of ownership of, and transactions in, the Company's securities with the Securities and Exchange Commission and The Nasdaq Stock Market. Such directors, executive officers and ten-percent stockholders are also required to furnish the Company with copies of all Section 16(a) forms they file.

Based solely on a review of the copies of such forms received by it, and on written representations from certain reporting persons, the Company believes that during fiscal 1997, all Section 16(a) filing requirements applicable to its directors, officers and ten percent stockholders were complied with, except: Albert Yu, an officer of the Company filed two late reports of transactions involving gifts.

1999 Stockholder Proposals or Nominations. From time to time, stockholders of the Company submit proposals which they believe should be voted upon at the Annual Meeting or nominate persons for election to the Board of Directors. In accordance with the Company's Bylaws, any such proposal or nomination must be submitted in writing to the Secretary of the Company not less than 60 days nor more than 120 days prior to the first anniversary of the preceding year's Annual Meeting of Stockholders. This submission must include certain specified

information concerning the proposal or nominee, as the case may be, and information as to the proponent's ownership of Common Stock of the Company. Proposals or nominations not meeting these requirements will not be entertained at the Annual Meeting. The Secretary should be contacted in writing at the address on the first page of this Proxy Statement to make any submission or to obtain additional information as to the proper form and content of submissions.

Pursuant to applicable rules under the Securities Exchange Act of 1934, some stockholder proposals may be eligible for inclusion in the Company's 1999 Proxy Statement. Any such stockholder proposals must be submitted in writing to the Secretary of the Company no later than December 7, 1998. Stockholders interested in submitting such a proposal are advised to contact knowledgeable counsel with regards to the detailed requirements of such securities rules.

Financial Statements. The Company's financial statements for the year ended December 27, 1997, are included in the Company's 1997 Annual Report to Stockholders. Copies of the Annual Report are being sent to the Company's stockholders concurrently with the mailing of this Proxy Statement. Stockholders directly registered by name on the books of Harris Trust and Savings Bank or shares held in nominee name through certain brokers and banks have in earlier mailings been offered the opportunity to obtain this Proxy Statement and the Annual Report by accessing it in electronic form on the Company's Internet web site instead of receiving paper copies. If you have not received or had access to the 1997 Annual Report to Stockholders, please notify the Secretary of the Company, M/S SC4-203, 2200 Mission College Blvd., Santa Clara, CA 95052-8119 and a copy will be sent to you. Copies of the Company's Annual Report and this Proxy Statement are available on Intel's World Wide Web site at [www.intc.com](http://www.intc.com).

Other Matters. At the date hereof, there are no other matters which the Board of Directors intends to present or has reason to believe others will present at the Annual Meeting. If other matters come before the Meeting, the persons named in the accompanying form of proxy will vote in accordance with their best judgment with respect to such matters.

Proxy Solicitation. The expense of solicitation of proxies will be borne by the Company. The Company has retained D. F. King & Co., Inc. to solicit proxies for a fee of \$8,000 plus a reasonable amount to cover expenses. Proxies may also be solicited by certain of the Company's directors, officers and other employees, without additional compensation, personally or by written communication, telephone or other electronic means. The Company is required to request brokers and nominees who hold stock in their name to furnish the Company's proxy material to beneficial owners of the stock and will reimburse such brokers and nominees for their reasonable out-of-pocket expenses in so doing.

#### VOTING VIA THE INTERNET OR BY TELEPHONE

For Shares Directly Registered in the Name of the Stockholder. Stockholders with shares registered directly with Harris Bank (including participants in the SERP) may vote telephonically by calling Harris Bank at (888) 266-6795 or you may vote via the Internet at the following address on the World Wide Web:

[www.harrisbank.com/corporations/shareholders/proxyhome.html](http://www.harrisbank.com/corporations/shareholders/proxyhome.html)

For Shares Registered in the Name of a Brokerage Firm or Bank. A number of brokerage firms and banks are participating in a program provided through ADP Investor Communication Services that offers telephone and Internet voting options. This program is different than the program provided by Harris Bank for shares registered in the name of the stockholder. If your shares are held in an account at a brokerage firm or bank participating in the ADP program, you may vote those shares telephonically by calling the telephone number referenced on your voting form. If your shares are held in an account at a brokerage firm or bank participating in the ADP program, you already have been offered the opportunity to elect to vote via the Internet. Votes submitted via the Internet through the ADP program must be received by 12:00 p.m. midnight (EDT) on May 19, 1998. The giving of such proxy will not affect your right to vote in person should you decide to attend the Annual Meeting.



The telephone and Internet voting procedures are designed to authenticate stockholders identities, to allow stockholders to give their voting instructions and to confirm that stockholders' instructions have been recorded properly. The Company has been advised by counsel that the telephone and Internet voting procedures that have been made available through Harris Bank and ADP Investor Communication Services are consistent with the requirements of applicable law. Stockholders voting via the Internet through either Harris Bank or ADP Investor Communication Services should understand that there may be costs associated with electronic access, such as usage charges from Internet access providers and telephone companies, that must be borne by the stockholder.

By Order of the Board of Directors

/s/F. Thomas Dunlap, Jr.

By: F. THOMAS DUNLAP, JR., Secretary

Santa Clara, California

Dated: April 6, 1998

#### COMMUNICATING WITH THE COMPANY

We have from time-to-time received calls from stockholders inquiring about the available means of communication with the Company. We thought that it would be helpful to describe these arrangements which are available for your use.

- - If you would like to receive information about Intel, you may use one of these convenient methods:

- (1) To have information such as the Company's latest Quarterly Earnings Release, Form 10-K, Form 10-Q or Annual Report mailed to you, stockholders residing in the U.S., please call the transfer agent, Harris Trust and Savings Bank at (800) 298-0146. (For investors located outside the U.S, please call collect (312) 360-5125.)
- (2) To listen to a recording of our most recent Quarterly Earnings Release or to reach a Stockholder Services representative, stockholders residing in the U.S., please call (800) 298-0146. (For investors located outside the U.S., please call collect (312) 360-5125.)
- (3) To view Intel's home page on the Internet, use Intel's Internet address: [www.intel.com](http://www.intel.com). Intel's home page gives you access to product, marketing and financial data, an on-line version of this Proxy Statement, Intel's Annual Report to Stockholders and job listings. Internet access to this information has the advantage of providing you with up-to-date information about the Company throughout the year.

- - If you would like to write to us, please send your correspondence to the following address:

Intel Corporation  
2200 Mission College Blvd.  
Santa Clara, CA 95052  
Attn: Investor Relations, RN5-24

Of course, as a stockholder, you will continue to automatically receive the Annual Report and Proxy Statement by mail or via the Internet if you choose that option.

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[MAP INDICATING THE LOCATION OF THE 1997 SHAREHOLDER MEETING APPEARS HERE]

#### Directions

The Santa Clara Convention Center is located at the corner of

Great America Parkway and Tasman Drive. There is parking in front of the building and a large parking garage behind the Center. There is NO CHARGE for parking.

From San Francisco

Take 101 South to the Great America Parkway Exit. Go East onto Great America Parkway (a left turn). Follow for 1 1/2 miles to Tasman Drive. Turn Right onto Tasman Drive and the Center will be on your left.

From Oakland

Take 880 South to 237 West. Turn left at the Great America Parkway Exit. Follow for about 3/4 mile. Turn left onto bunker Hill Drive (the Westin Hotel will be on your left). This will bring you directly into the parking garage for the Center and Hotel.

From San Jose/Monterey/Morgan Hill

Take 101 North to the Great America Parkway Exit. Go East onto Great America Parkway (a Right turn). Follow for 1 1/2 miles to Tasman Drive. Turn Right onto Tasman Drive and the Center will be on your left.

From Sacramento/Walnut Creek/Dublin

Take 680 South to Calaveras Highway/237 West. See directions from Oakland (237 West).

From Santa Cruz/Los Gatos

Take 880 North to 101 North. See directions from San Jose.

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please mark vote in oval in the following manner using dark ink only									
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
	For	Withhold	For All	Except		For	Against	Abstain	
1.Election of Directors nominees listed below	[ ]	[ ]	[ ]		2.Ratification of Ernst & Young, LLP as Independent Auditors	[ ]	[ ]	[ ]	
01 C. Barrett	02 J. Browne	03 W. Chen			3.Stockholder proposal to endorse the CERES Principles.	[ ]	[ ]	[ ]	
04 A. Grove	05 J. Guzy	06 G. Moore							
07 A. Rock	08 J. Shaw	09 L. Vadasz							
10 D. Yoffie	11 C. Young								

Except Nominee(s) written above

Please sign exactly as name appears herein. Joint owners must each sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_  
Signature: \_\_\_\_\_ Date: \_\_\_\_\_

IF YOU WANT TO VOTE BY TELEPHONE OR VIA THE INTERNET, PLEASE READ THE INSTRUCTIONS BELOW.  
FOLD AND DETACH HERE

Control Number [INTEL LOGO]  
VOTE BY TELEPHONE OR INTERNET

Intel Corporation encourages you to take advantage of the new and convenient ways to vote your shares on proposals covered in this year's Annual Meeting of Stockholders. You may choose one of the two voting methods outlined below to vote your proxy. This year, voting has been made easier than ever.

- - Vote by phone. There is NO CHARGE for this call. On a touch-tone telephone call TOLL FREE 888-266-6795 to vote your proxy--24 hours a day, 7 days a week. You will need to have the above proxy card in hand when you call. Please enter the 10 digit Control Number located in the box in the upper left corner of this voting form.

1.To vote as the Board of Directors recommends on all proposals, press 1. Your vote will be confirmed and cast as you directed, then the call will end. If you wish to cast a separate vote on each proposal, press 0.

2.If you select 0 to vote on each proposal separately, you will hear these

instructions:

Proposal 1-- To vote FOR all nominees, press 1; to WITHHOLD for all nominees, press 9; to WITHHOLD for AN INDIVIDUAL nominee; press 0 and enter the two digit number that appears on the above proxy card next to the name of the nominee you DO NOT wish to vote for. Once you have completed voting for the Directors, press 0.

Proposals 2 and 3--To vote FOR, press 1; to vote AGAINST, press 0; to ABSTAIN, press 0. Your vote selection will be repeated and you will have an opportunity to confirm it.

- - Vote on the Internet 24 hours a day, 7 days a week. Here is the address: <http://www.harrisbank.com/corporations/shareholders/proxyhome.html>. Have this voting form in hand when you access the web site, then follow the instructions that are provided.

- - If you vote by telephone or the Internet, DO NOT mail back this voting form.

Thank you for voting

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PROXY PROXY

INTEL CORPORATION

2200 Mission College Blvd., Santa Clara, California 95052-8119

Proxy Solicited by Board of Directors for Annual Meeting - May 20, 1998

ANDREW S. GROVE, CRAIG R. BARRETT and F. THOMAS DUNLAP, JR., or any of them, each with the power of substitution, are hereby authorized to represent and vote the shares of the undersigned, with all the powers which the undersigned would possess if personally present, at the Annual Meeting of Stockholders of Intel Corporation to be held on Wednesday, May 20, 1998 or at any postponement or adjournment thereof.

Shares represented by this proxy will be voted as directed by the stockholder. If no such directions are indicated, the Proxies will have authority to vote FOR Item 1 (the election of directors), FOR Item 2 (ratification of the appointment of independent auditors) and AGAINST Item 3 (the stockholder proposal for endorsement of the CERES Principles). In their discretion, the Proxies are authorized to vote upon such other business as may properly come before the meeting.

<p>&lt;S&gt;</p> <p><input type="checkbox"/> Mark here if you plan to attend the Annual Meeting in person.</p> <p><input type="checkbox"/> Mark here for address change and note below.</p> <p>New Address: _____</p> <p>_____</p> <p>_____</p>	<p style="text-align: center;">&lt;C&gt;</p> <p style="text-align: center;">IF VOTING BY PAPER, PLEASE MARK, SIGN, DATE AND MAIL THIS PROXY CARD PROMPTLY, USING THE ENCLOSED ENVELOPE</p> <p style="text-align: center;">(Continued and to be signed on reverse side.)</p>
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SEE REVERSE SIDE

[INTEL LOGO]

Annual Meeting of Stockholders  
Intel Corporation  
May 20, 1998 - 10:00 a.m.

[MAP INDICATING THE LOCATION OF THE 1997 SHAREHOLDER MEETING APPEARS HERE]

Santa Clara Convention Center  
5001 Great America Parkway  
Santa Clara, California

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